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company to secure new members than to keep old ones and pay the policies when due.

If the reader admits the author's claims for the educational and other advantages of the Prudential Company, a comparison of premiums paid to the company with the amounts returned to policy holders will show that the poor must pay a high price for their education. In the twenty-five years of the Prudential's existence it has collected \$120,505,542 as premiums on industrial policies, and has returned to policy holders \$39,901,006, or a little less than one dollar for every three dollars collected. In many cases, the family of the policy holder receives more than he has paid in, but, as a class, working people would do much better to deposit their money in savings banks, which pay back dollar for dollar with interest added, instead of paying it to insurance companies where two out of every three dollars goes to pay collectors and other officers. But the banks send out no solicitors and consequently would not reach the class that invest in industrial insurance. It may be better for the poor man to pay two dollars to be persuaded to save one dollar, rather than to make no provision for his day of distress.

An evidence that the education in thrift is really effective is furnished by the growth of ordinary insurance. The man who begins by paying ten cents per week to secure \$100 at death for funeral expenses, ends by paying \$20 a year to secure for his family \$1000 at his death. By purchasing insurance wholesale he gets better terms and saves the collector's fees.

The book which suggested these comparisons was prepared for the Paris Exposition, and gives a detailed history of the Prudential Company, the men who have made it a success, and the principles on which they work.

WILLIAM HILL.

Geschichtliche Entwicklung des Gütertarifwesens der Eisenbahnen Deutschlands. By HANS BURMEISTER. Leipzig: Dunker und Humblot, 1899. 8vo, pp. 62.

THE railway tariff system of Germany was at first simplicity itself. A distance tariff with two classes, one for manufactured goods and one for a limited number of raw materials, was adopted. On class one a defined rate per *centner* per mile was charged; on the second class a

lower rate. The development of transportation enterprise brought about industrial changes which did not permit this simple system to have long duration. By about the middle of the fourth decade of this century the extension of the railway system had brought about many new interrelationships of transportation ways, as well as of spheres of production and of exchange. Along with this came the question of through versus local traffic. This led to competition at common points; with this came also an improvement of service as well as a movement for the purchase of competing lines.

As long as the system was local the basis of classification was not so important. But as the ramifications of the railway system increased rate matters became of increasing importance. In order to further through traffic the railways, forming through lines, entered into traffic agreement or unions. The first of these in point of time was the north German, which came into existence in 1847-8. By this was obtained, on the one hand, a through communication between the more important industrial points in north and middle Germany, such as Berlin, Dresden, and Leipsic with the seaports of Bremen and Harburg, and on the other hand a connection with the leading industrial centers in Brunswick, Hanover, and Rhenish Westphalia. Other unions were the middle German in 1851, the Rhenish-Thuringian in 1853, the west German in 1857, and the south German in 1863.

As an outcome of these unions a more active interest in the principles underlying classification was manifested. In north Germany the basis of classification adopted was the value of the goods. It was found necessary to make some departures from this system in order to develop through traffic. Local freight now complained because it was granted less advantageous rates than through freight. As a consequence of this it was necessary to make further departures from the system by granting numerous special tariffs. About the same time attention was being turned, in other sections of Germany, to a tariff based on the space occupied by the goods transported. This "space" tariff, also known as the "natural" system, was adopted on the railways of Alsace-Lorraine, in 1870. The fact that high-priced goods were carried more cheaply under this system than under the value system rendered it popular with manufacturers. In 1872 the railways of southwestern Germany entered into an arrangement whereby the space system was made use of in the through traffic with the railways of Alsace-Lorraine. In the same year the railway unions of middle

Germany and of west Germany adopted this system in their through traffic. In a short time the railways of south Germany adopted it in their local traffic.

Even where the space system was not adopted in its entirety, it had an influence. In various sections a compromise, between the two systems, known as the "mixed" system was adopted. Not satisfied with the existing conditions, an attempt was made by the government to grapple with the matter. But in 1875 a tariff commission, appointed with a view to devising a tariff system, reported it was unable to obtain a working basis.

While the railways were finding it difficult to agree upon a common tariff basis, the people were finding in the existing rate anomalies an argument for a more unified system. In the endeavor to develop through traffic advantages were given to long-haul freight. As a result of this those who were engaged in short-distance traffic complained that they were being discriminated against. In 1872 the matter was investigated by a Prussian commission with no result. At the same time the railways had to meet the factor of international competition. This further disturbed the rate situation. The difficulties of the rate system, and the desire for unity, led in 1877 to a meeting of railway representatives at Berlin. The outcome of the deliberations of this body was the adoption of the reform tariff. Although this is hailed by the author as an advance, it is after all simply a legal acceptance of the "mixed" system. The system has gradually won its way; and at length, by its adoption by Wurttemberg and Bavaria in 1890, it became the basis of the railway tariff system of Germany. Under this system piece goods are divided into three classes. For carload lots there are four leading classes and three sub-classes.

While this system has been adopted it has not been possible to follow it rigidly. What the government has done, more especially since the adoption of the policy of state ownership, has been to grant numerous exceptions. Under the older system special tariffs were also granted. But the government has endeavored to reduce the matter of granting special tariffs to rule. For example, in Prussia, it is recognized that special tariffs may be granted on the following grounds:

1. To assist agricultural production by means of lower rates on raw material or on materials auxiliary to production.
2. To assist German export trade.

3. To assist German seaports in competition with seaports of other countries.
4. To assist German railways subject to competition from foreign streams or watercourses.

The value of the author's work lies not only in its clear statement of the facts of German experience, but also in putting that experience in such a shape that it is readily available for comparative purposes. In treating of the principles underlying classification he lays stress on the value of the "space" system. This he considers to be characterized by unity and simplicity. The "value" system, on the other hand, presents itself to him as a means whereby corporations may impose exorbitant rates. The troubles in connection with discriminations in the earlier period are attributed to the use of the value system. In view of the fact that the reform movements in Germany have simply led to the adoption of the "charging what the traffic will bear" system, although it is called by another name, the author is somewhat *doctrinaire* in relying upon a position which is not upheld by the history he is detailing. On the whole, the author remembers that he is dealing with a self-circumscribed topic. But when he is summing up his investigation he for the moment forgets this; for he diverges into a wider phase of the question of railway policy and concludes that the great advance in simplicity and unity of classification has been attributable to the adoption of a policy of state ownership, which has brought about a socialization of the tariffs.

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Die Gewerkschaftsbewegung. Darstellung der gewerkschaftlichen Organisation der Arbeiter und der Arbeitgeber aller Länder.
VON W. KULEMANN, Landgerichtsrat. Jena: Gustav Fischer,
1900. 8vo, pp. xxii + 730.

IT is impossible to judge this work because it is incomplete, and incomplete at that very point at which it lays chief claim to excellence. It is avowedly an argued justification of trade organizations, and it proposes to survey the entire field of such organizations throughout the European world in the search for facts to test the thesis that they are indispensable to the welfare of our industrial life. But the volume before us is hardly more than a collection of facts. It does,